

**MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUMMARY OF 1997
ECONOMIC DEVELOPMENT PROJECTS**

Locality: **Rosebud County**
Project Number: 97-08
Name of Company: SEMDC/ Four-County RLF
Financing Date: 12/22/97

	<u>Total</u>	<u>Visitor's Center</u>	<u>Reid's True Value</u>	<u>Super 8 Motel</u>
CDBG Funds:	\$ 500,000	\$ 17,500	\$ 80,000	\$ 140,000
Other Funds:				
Lenders:	\$ 450,000		\$ 80,000	
Other:	\$ 143,000			\$ 143,000
Equity:	\$ 75,000			\$ 75,000
SEMDC**:	<u>\$ 98,670</u>			
Total Project:	<u>\$ 1,268,670</u>	<u>\$ 17,500</u>	<u>\$ 160,000</u>	<u>\$ 358,000</u>
Job Creation:	-	-	.5	-
LMI Jobs:	-	-	2.5	-
Jobs Retained:	-	-	-	7

**Contributions from Montana Power & the counties

	<u>Bloomin' Onion</u>	<u>Fjelstad's Accounting</u>	<u>SE MT Eyecare</u>
CDBG Funds:	\$50,000	\$30,000	\$60,000
Other Funds:			
Lenders:	\$333,000	\$30,800	\$70,600
Equity:	<u>\$124,000</u>	<u>\$7,500</u>	<u>\$18,600</u>
Total Project:	<u>\$507,000</u>	<u>\$68,300</u>	<u>\$149,200</u>
LMI Jobs:	8	1.5	3

Use of CDBG Funds: Working Capital and Equipment, Remodel/Renovation

Southeast Montana Development Corporation (SEMDC) will serve as a revolving loan fund intermediary to support identified business expansion and job creation opportunities in Colstrip and a four-county area. SEMDC is working to diversify the economy in light of recent deregulation of the utility industry, which has adversely impacted Colstrip and the surrounding area. Of the \$500,000 grant, \$422,500 will be available to loan to businesses, \$17,500 will be used to remodel the visitor's center, which houses the SEMDC, the Small Business Development Center and the Microbusiness Development Corporation. \$60,000 will be used for project administration and revolving loan fund management.

Reid's True Value

Reid's True value is a combination hardware, lumber, feed, animal care, and fireplace store located in Colstrip. At present 10% of the sales are to contractors, 30% are commercial and the remaining sales are retail to individuals from surrounding communities. Reid's began business in 1995. Two employees will be retained and one half-time job will be created.

Super 8 Motel

Super 8 Motel was awarded \$140,000 to restructure the debt on the Colstrip Super 8 Motel, which will retain seven low-moderate income jobs and help maintain Colstrip's business vitality.

Bloomin' Onion

Bloomin' Onion was awarded \$50,000 in CDBG economic development funds to remodel/renovate a commercial building located in Forsyth into a full-service dining restaurant. The Bloomin' Onion anticipates to create eight low-moderate income jobs.

Fjelstad's Accounting

Fjelstad's Accounting was awarded \$30,000 in CDBG economic development funds to provide accounting services to their clients and expanding into the title insurance business. The company anticipates to create 1.5 jobs to be filled by low to moderate income individuals.

Southeastern Montana Eyecare

Southeastern Montana Eyecare was awarded \$60,000 in CDBG economic development Funds to purchase an Optometry practice in Colstrip. The Colstrip practice combined with the existing owned practice in Forsyth would form Southeastern Montana Eyecare. The practices together anticipate on creating 4 jobs to be filled by low to moderate income individuals.

Locality: Flathead County

Project Number: 97-07

Name of Company: Great Northern Bark

Financing Date: 12/8/97

CDBG Funds: \$ 374,000

Other Funds:

Bank: \$ 300,000 (SBA 7A Guarantee)

Owner: \$ 40,000

Total Project: \$ 714,000

Job Creation: 17

LMI Jobs: 17

Use of CDBG Funds: Working Capital

Great Northern Bark Company, a manufacturer and wholesaler of decorative bark and natural landscape products, will use the \$340,000 loan as working capital to finance its increasing production demands. Great Northern Bark has projected 17 full-time equivalent jobs will be

created, all of which will be available to or filled by low and moderate income persons, over a two-year period.

Locality: Anaconda-Deer Lodge County

Project Number: 97-06

Name of Company: RLF Capacity Building Grant

Financing Date: 12/8/97

	<u>Total</u>	<u>AWCS</u>	<u>A.W.A.R.E.</u>	<u>Avid Aircraft</u>
CDBG Funds:	\$500,000	\$200,000	\$96,100	\$99,000
Other Funds:				
Micro:	\$162,350	\$35,000		\$35,000
EDA RLF:	\$271,458			
Owner Equity				\$115,808
Bank/Owner:	<u>\$2,337,600</u>	<u>\$100,000</u>	<u>\$99,600</u>	
Total Project:	<u>\$3,271,408</u>	<u>\$365,000</u>	<u>\$195,700</u>	<u>\$249,808</u>
Job Creation:		21	54	
LMI Jobs:		15	45	
Use of CDBG Funds: Working Capital and Equipment				

Anaconda-Deer Lodge County was awarded \$500,000 in Community Development Block Grant (CDBG) funds for an RLF Capacity Building Grant. To date, three projects have been approved and funded.

A.W.C.S.

Anaconda Wire & Cable Sales (AWCS) will receive a \$200,000 loan for warehouse expansion in Anaconda. This newly formed electrical wire and cable sales and distribution company projects adding 21 new jobs, with 15 benefiting low to moderate income persons.

A.W.A.R.E.

A.W.A.R.E., Inc. is a nonprofit organization serving people with disabilities. Funds of \$96,100 will be used for equipment and rolling stock needed as transportation to five renovated group homes at the Galen Campus 12 miles southwest of Deer Lodge. This project will provide housing for 20 low to moderate income children with disabilities, as well as add 54 new jobs, 45 of which will benefit low to moderate income persons. According to Montana State officials, the state will save one million dollars annually for every group home A.W.A.R.E. serves.

Avid Aircraft

Avid Aircraft is a manufacturer of kit aircrafts located in Ennis Montana. Gaining rapid popularity with customers requesting more features, today there are five major models of the Avid Flyer ranging in price from \$10,000 to \$21,000. Funds of \$99,000 will be used to provide working capital and to support marketing and sales activities, product development engineering, distribution and customer service. This project will provide 10 full-time jobs with 5 of those being made available to low to moderate income persons.

Locality: Ravalli County
Project Number: 97-04
Name of Company: RLF Capacity Building Grant/Victor Mercantile & Big Sky Mushrooms
Financing Date: 10/14/97

	<u>Total</u>	<u>Victor Merc.</u>	<u>B.S.M.</u>
CDBG Funds:	\$500,000	\$150,000	\$273,000
Other Funds:			
Bank:	\$621,720	\$251,000	\$370,720
SBA 504:	\$256,000	\$256,000	
Owner:	\$420,580	\$174,000	\$246,580
Total Project:	<u>\$1,798,300</u>	<u>\$831,000</u>	<u>\$890,300</u>
Job Creation:	23	5	18
LMI Jobs:	14	5	9

Use of CDBG Funds: Inventory, Working Capital, Furniture, Fixtures, Equipment

Ravalli County was awarded \$500,000 in Community Development Block Grant (CDBG) funds for an RLF Capacity Building Grant.

Victor Mercantile:

\$150,000 will be loaned to the Victor Mercantile, a grocery business in Victor. This is the first CDBG economic development project award for Ravalli County. The business will be constructing a new 8,500 square foot full-service grocery store. The loan funds will be used for inventory, working capital, furniture, fixtures and equipment. The expansion of this business proposes to create five jobs in a community with a high percentage of low to moderate income families.

Big Sky Mushrooms:

The County will loan \$273,000 to Big Sky Mushrooms for working capital and equipment. The company will be constructing a new mushroom production facility in Stevensville. Big Sky Mushrooms proposes to create 18 jobs in the community, 9 of which will benefit low to moderate income persons.

Locality: Lake County
Project Number: 97-02
Name of Company: RLF Capacity Building Grant/Don Aadsen Ford, Ninepipes Lodge, & Joe's Jiffy Stop/Midnight Market
Financing Date: 7/25/97

	<u>Total</u>	<u>Don Aadsen Ford</u>	<u>Ninepipes Lodge</u>	<u>Joe's Jiffy Stop</u>
CDBG Funds:	\$500,000	\$200,000	\$120,000	\$90,000

Other Funds:				
Bank:	\$1,477,000	\$605,000	\$682,000	\$190,000
SBA 504:	\$1,245,000	\$623,000	\$622,000	
Equity:	<u>\$811,227</u>	<u>\$156,719</u>	<u>\$489,508</u>	<u>\$165,000</u>
Total Project:	<u>\$4,033,227</u>	<u>\$1,584,719</u>	<u>\$1,913,508</u>	<u>\$445,000</u>
Job Creation:	28	9	9	10
LMI Jobs:	21	7	6	8
Use of CDBG Funds: Furniture and Fixtures				

Lake County was awarded \$500,000 in CDBG funds for an RLF Capacity Building Grant.

Don Aadsen Ford:

\$200,000 was loaned to Don Aadsen Ford, an existing car dealership in Ronan. The business has outgrown its current space and will be constructing a modern automobile sales and service facility at a new location in Ronan. Funds will be used to equip the new facility. The expansion of this business proposes to create 9 good-paying jobs in a community with a high percentage of low to moderate income families. Seven of these jobs will be made available to low and moderate income families.

Ninepipes Lodge:

\$120,000 was loaned to Ninepipes Lodge, a motel and restaurant located five miles south of Ronan on Highway 93. The loan is for working capital, equipment and climate control equipment for the newly constructed museum/gallery at the complex. This project proposes to create 9 new jobs at least 6 of which will be made available to low and moderate income individuals.

Joe's Jiffy Stop/DynaMart

\$90,000 was loaned to Joe's Jiffy Stop, a convenience store and gas station, located in Ronan. Funds will be used for working capital and equipment. The project proposes to create 10 new jobs, at least 8 of which will be made available to low and moderate income individuals.

Locality: Roosevelt County

Project Number: 97-01
Name of Company: Montola Growers
Financing Date: 6/13/97

CDBG Funds: \$ 500,000
Other Funds:
Bank: \$ 1,500,000
Equity: \$ 400,000
Total Project: \$ 2,400,000
Job Creation: 30

LMI Jobs:

15

Use of CDBG Funds: Equipment and Working Capital

Roosevelt County received an award of \$500,000 in order to continue the safflower processing plant operations. This award will provide a loan of \$469,000 to Montola Growers for financing working capital necessary for continued facility operations. The additional \$31,000 will be available for administrative costs for the project. The project has an area benefit of 54% LMI, would retain 24 jobs and help pay a large portion of Culbertson's water/sewer bill. Sheridan Electric Co-op will own and guarantee loans, and Montola Growers will operate the facility. At the time of project completion, the facility employed 48 persons.
